

VZCZCXYZ0017  
OO RUEHWEB

DE RUEHKO #2656/01 1350733  
ZNY CCCCC ZZH  
O 150733Z MAY 06  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2036  
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 2234  
RUEHMO/AMEMBASSY MOSCOW PRIORITY 1028  
RUEHUL/AMEMBASSY SEOUL PRIORITY 8416  
RHMFISS/COMUSJAPAN YOKOTA AB JA PRIORITY  
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY  
RUEHIN/AIT TAIPEI PRIORITY 6024  
RHEHAAA/NSC WASHDC PRIORITY

C O N F I D E N T I A L TOKYO 002656

SIPDIS

SIPDIS

E.O. 12958: DECL: REUNIFICATION OF THE KOREAN PENINSULA  
TAGS: [PREL](#) [PGOV](#) [PHUM](#) [MARR](#) [CH](#) [TW](#) [KN](#) [KS](#) [JA](#)  
SUBJECT: U.S.-ROK POLICY PLANNING BILATERAL

REF: A. TOKYO 2650  
[1](#)B. TOKYO 2610  
[1](#)C. TOKYO 2612  
[1](#)D. TOKYO 2637  
[1](#)E. TOKYO 2638  
[1](#)F. TOKYO 2639  
[1](#)G. TOKYO 2640  
[1](#)H. TOKYO 2655

Classified By: Charge d'Affaires, a.i., Joe Donovan. Reasons 1.4 (b/d)

[1](#)1. (C) Summary. During a May 11 bilateral lunch meeting between ROK and U.S. policy planners, ROK Deputy Minister for Policy Planning and International Organizations Park In-kook told S/P Director Stephen D. Krasner that although China is changing, it is still resistant to ideas that could limit its sovereignty. On U.S.-Japan realignment, Korea is concerned that a strengthened U.S.-Japan alliance might marginalize the U.S.-Korea alliance. Park said he hoped the United States would play a proactive role in helping to improve Japan-Korea relations, though he stressed this was not a specific request and did not answer when asked what specifically the ROK wanted to see from the U.S. Turning to North Korea, Park informed Krasner that he expects informal North-South contact when former President Kim Dae Jung travels to Pyongyang. The ROKG cannot dictate what Kim will tell the North Koreans, but expects him to focus on pushing the DPRK to return to the Six-Party Talks and to warn of what might happen if the DPRK does not and we "lose momentum." The U.S. and South Korea need to talk about how to interest North Korea in returning to the Six-Party Talks, Park explained, adding that he hoped the United States could be more forthcoming in negotiations with North Korea. South Korea's long-term goal is peace on the Korean Peninsula, Park underscored. In order to achieve that goal, South Korea needs to increase exchanges and cooperation with the North, resolve the nuclear issue and encourage DPRK pluralism by encouraging and empowering domestic elites other than the DPRK military. Park also proposed that the next U.S.-Japan-ROK trilateral policy planning talks be held in Seoul late this year. End Summary.

[1](#)2. (C) Over lunch on May 11, 2006, Policy Planning Director Stephen D. Krasner and Republic of Korea (ROK) Deputy Minister for Policy Planning and International Organizations Park In-kook discussed China, Japan and North Korea. Park started the meeting by saying that he had been in place for only three weeks and had hoped to postpone the trilateral discussion. Foreign Minister Ban Ki-Moon, however, was determined to keep the trilateral policy planning talks on track and urged Park to participate now. Park proposed that the next trilateral be held in Seoul late this year. He

pointed out that the Japanese were scheduled to host a meeting last year but, for unknown reasons, had delayed it for two years until now.

#### China: "Responsible Stakeholder"

-----

13. (C) New regional developments, especially the Six-Party Talks (6PT) and the growing role of China, demand close contact and coordination, Park emphasized. Dr. Krasner agreed and recapped U.S. policy toward China, emphasizing the need for China to become a responsible stakeholder in the international system that has enabled its success and to uphold international rules on issues such as intellectual property rights. Park noted that China is a member of the WTO and UNSC and asked for specific areas in which the United States thinks China should improve. Dr. Krasner pointed to human rights, intellectual property rights, exchange rates, counterterrorism cooperation, military transparency and investments in poorly governed countries. Park agreed that China should be receptive, but expressed concern about whether the Chinese fully grasped the concept of "stakeholder," wondering aloud whether the U.S. articulation of the concept had prompted some tangible or visible change in Chinese attitudes.

14. (C) Dr. Krasner shared that the Chinese are clearly listening to the idea, and that President Hu had publicly used the word "stakeholder" during his April visit to the U.S. S/P member Evan Feigenbaum told Park that the Chinese now understood the U.S. meaning very well, that a debate had ensued in China in the wake of the Deputy Secretary's September 2005 speech, and that this debate was welcome. Thirty years ago, China was outside most international structures and disconnected from many aspects of the global system. Now, China was a P-5 member, a WTO member, and heavily integrated into the international trading system, capital markets, and so on. For China, this meant that it now had the capacity to strengthen, support or undermine the international system that had enabled its success. China was not the only such "stakeholder," but its greater interest and capacity gave it greater responsibility than most. Integrating China into the international system now meant that it must make decisions it did not have to confront before. Angola is an example. China offers loans to Angola for energy with no strings, while the International Monetary Fund (IMF), at the same time, is trying to impose conditions on its own loans. Since China has a three percent voting stake in the IMF and should not want to undercut the IMF, it will be forced to make trade-offs it did not have to make before it was a stakeholder in such structures and regimes. Park acknowledged the point and offered two other problems facing China: 1) the difficulty in harmonizing its future interests with the current regulations and 2) accommodating its future interests with its future obligations.

15. (C) MOFAT Director for North America Division I Hahn Choong-hee offered his view that U.S.-China relations are evolving. He asked if the United States believed it could maintain regional stability and the status quo. Dr. Krasner stressed that Asia is a dynamic region. Park explained that China is in a quandary about Taiwan and shared his observation that China continues to be very sensitive about sovereignty issues. China is changing, Park acknowledged, but is still resistant to ideas that could limit its sovereignty. He recommended softening our words, and wondered if there might be a euphemism for "responsible stakeholder."

#### Korean, Chinese Views of U.S.-Japan Relations, Realignment

-----

16. (C) Asked about Korean views of Japan-China relations, Park suggested that China is in wait-and-see mode, and is trying to come up with ways to respond to the current impasse with Japan. Korea, on the other hand, is concerned that a strengthened U.S.-Japan alliance might marginalize the U.S.-Korea alliance. Many Koreans still support the

U.S.-Korea alliance and view it as the cornerstone of our security, Park said. Korea hopes that a positive consequence of improving the U.S.-Japan alliance would be a reinforcement of Korea's capabilities.

¶17. (C) China might hold a different understanding of realignment, Park stated. When Japan talks about realignment, they call it an "integration and synchronization" of United States and Japanese forces. The characters China uses to write realignment in Chinese mean "integration into one body," with the connotation that there is only one commander and thus that U.S. and SDF forces are to be integrated and interoperable. Deputy Chief of Mission Joe Donovan suggested that there was some truth to that because the realignment plan also includes increasing interoperability and new roles and responsibilities; both are critical to the success of programs like missile defense.

#### Korea-Japan Relations -----

¶18. (C) Prefacing his comment by saying he does not have a specific request, Park said he hoped the United States would play a proactive role in Japan-Korea relations. Krasner noted that productive relations between two U.S. allies, both democracies, are important to the U.S. He assured Park that the United States is grateful to have two strong allies in Asia, but would be happier still if both alliances could be more integrated and function as an effective trilateral. Park expressed some skepticism that Japan was a fully functioning democracy and recounted a theory that democracy makes war less appealing. Krasner replied that the advantage is that democracy makes views more transparent and decreases the possibility of misunderstanding.

¶19. (C) Korea is not backward-looking at historical disputes, Hahn insisted. Instead, it wants to forget about the past and move forward. Japan's actions, however, come close to nullifying the apologies it has offered in the past. Korea is nervous and would be grateful if the United States could look at the situation in a calm, objective manner and then offer advice to both countries on how best to proceed. Park added jokingly that his bosses would be very pleased if the United States would give some friendly advice to Japan. MOFAT Director for Policy Planning and Coordination Division Oh Song hinted that encouraging Asian nations to get over the history issue would solve the main problem in the region and increase stability, the top U.S. priority. Krasner commented that the Koreans appear to view Japan as "insincere." How, then, could U.S. pressure on Japan possibly be useful? If the United States inserted itself, it would make it even less credible to Koreans that the Japanese were being "sincere." He encouraged Korea and Japan to resolve their disputes directly.

¶10. (C) ROK Embassy Minister Counselor Yeon Sang-mo assured Krasner that Korea is ready to "make friends" with Japan, but that the bitter memories of Japanese colonization remain. If the Korean people fear that Japan is remilitarizing, the burden is on Japan to counter those suspicions. While there is no specific evidence, some Korean scholars suggest that the Japanese might be inherently militaristic. Donovan refuted this, pointing to Japan's low defense spending and ongoing generational change in Japan. Park argued that the Japanese have made great strides in international arenas, like the UN, and have tried to erase their image as invaders by building an environmentally friendly image, but Japan always seems to have an underlying motive. Park hoped Japan would make active efforts to assuage the suspicions of those countries victimized by Japan. Hahn echoed that there is increasing sentiment in international society for Japan to listen to China and Korea.

#### Japanese Politicians -----

¶11. (C) Prime Minister Koizumi will step down in September, Hahn observed. He asked if Koizumi's successor might halt or

slow Japan's shift to the right. Donovan noted that the top two contenders are friends of the United States and expressed confidence that, in a free and open society, calm heads will prevail. He thought it likely that visits to Yasukuni Shrine would be an issue in the next LDP presidential election, but did not believe that the candidates have the same commitment to visiting the shrine as Prime Minister Koizumi. Several years ago, it was taboo for Japanese leaders to even talk about Yasukuni Shrine, Oh said, but now Prime Minister Koizumi openly debates it and insists on visiting there. Koreans are concerned that the political environment in Japan has changed. He posited that the strength of the U.S.-Japan alliance and Koizumi's strong personal relationship with President Bush have emboldened Japanese leaders to be make more provocative remarks. Several U.S. participants countered that this was not the case and that Korea, too, benefited from a strong U.S.-Japan alliance.

#### North Korea -----

¶12. (C) South Korea expects some informal contact between South and North Korea when former ROK President Kim Dae Jung travels to Pyongyang, Park explained. Park expected Kim to talk about future 6PT options. The ROKG cannot dictate what Kim will say, but expects him to focus on persuading North Korea to return to the negotiating table and express grave concern if it does not. Chinese State Councillor Tang Jiaxuan visited Pyongyang in April, and the United States has ratcheted up pressure on North Korea over Banco Delta Asia (BDA) and other financial issues, Park noted. Park expressed interest in discussing with the United States mid- and long-term goals for engaging North Korea and how we might energize China to do more to solve the North Korean nuclear issue. The U.S. and ROK need to talk about how to interest North Korea in returning to the talks, Park explained. In that regard, Seoul would appreciate U.S. efforts to be more forthcoming in negotiations with North Korea.

¶13. (C) Krasner noted there would be no negotiations on financial issues like BDA where North Korea is guilty of illegal activity. He told Park that the United States has not lost its commitment to the 6PT. Hahn expressed satisfaction that the United States is not ignoring the 6PT but offered the general ROK perception that U.S. leaders are shifting their attention from the 6PT to illegal activities. Remarks to the contrary by high-level U.S. officials could help alleviate that perception in the ROK, he claimed. Park echoed the sentiment.

¶14. (C) Hahn asked for the U.S. assessment of China's role in the 6PT and Feigenbaum replied that China's role has evolved from "maitre d'" to mediator but needs to evolve to something that is more consistently proactive. We are grateful for China's efforts, but hope to see even greater and more substantive efforts. Yeon asked whether the United States has increased pressure on China for results on the North Korea nuclear issue. Krasner and Feigenbaum said that North Korea was an important part of ongoing U.S.-China dialogue.

#### South Korea's Goal: Peace -----

¶15. (C) South Korea's long-term goal is peace on the Korean Peninsula, Park underscored. The Korean War had had little impact on the world economy, but if war broke out on the Peninsula now, it would reverberate around the world. In order to achieve peace on the Peninsula, South Korea needs to increase exchanges and cooperation with the North, and also resolve the nuclear issue. South Korea has pursued engagement with North Korea now for over 15 years, but it takes time to educate North Koreans, Park explained. The South's cooperation with the North can prevent the North's tilt toward China. It is also important to encourage pluralism in the North Korea. There is a strong military bloc in the North that has virtually no contact with the outside world except for sporadic contact with the Chinese

PLA. The DPRK military believes itself to be very powerful. To balance that bloc and build domestic counterweights, South Korea would like to nurture North Korean elites and other groups. Park suggested that DPRK bureaucrats might be a good place to start nurturing this counterbalancing force. Park underscored the ROK seeks regime transformation, not regime change.

¶16. (C) Asked how South Korea engages North Korean bureaucrats to foster this hoped-for "counter-balance," Park replied that KEDO and the Kaesong industrial project have offered good opportunities. With KEDO, South Korea was able to bring about 100 high-technology engineers to South Korea for training. Hahn explained that Kaesong now employs over 6,000 North Korean workers, and expressed confidence that the workers will soon recognize the merits of the South Korean system. They, in turn, can spread the idea when they return home beyond Kaesong to elsewhere in North Korea. Progress is indirect and hard to measure, he admitted. Park added that the workers at Kaesong are being introduced to the incentive system, the key to a market economy. Feigenbaum noted general U.S. skepticism about the current status of North Korea's reform efforts. Krasner asked if Park knew what had happened to the 100 engineers. Hahn said he believed progress has been steady since July 2002. Park noted doubts about the consistency of progress but characterized it as two steps forward, one step back. More DPRK efforts are needed, but they will take time, Park concluded.

¶17. (U) Participants in the meeting included:

United States  
-----

Stephen D. Krasner, Director, Policy Planning Staff  
Joe Donovan, Deputy Chief of Mission, Embassy Tokyo  
Evan Feigenbaum, S/P Member  
Carol Reynolds, Political Section Deputy, Embassy Tokyo  
Tandy Matsuda, Political Officer, Embassy Tokyo (notetaker)

South Korea  
-----

Park In-kook, Deputy Minister for Policy Planning and International Organizations, Ministry of Foreign Affairs and Trade (MOFAT)  
Yeon Sang-mo, Minister Counselor, ROK Embassy Tokyo  
Hahn Choong-hee, Director, North America Division I, MOFAT  
Oh Song, Director, Policy Planning and Coordination Division, MOFAT  
Kim Ki-woong, Director, Inter-Korean Policy Division, MOFAT

¶18. (U) S/P Director Krasner cleared this message.  
DONOVAN